

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM for FY 2007-2010

I. Introduction

Section 6001 “Transportation Planning” of the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU) amended Section 134 “Metropolitan Transportation Planning” and Section 135 “Statewide Transportation Planning” of Title 23, United States Code. The amended language includes specific details pertaining to the development of transportation plans and transportation improvement programs within Metropolitan Planning Organization (MPO) areas, being an urbanized area with a population of more than 50,000 individuals, and development of the Statewide Transportation Plans and Statewide Transportation Improvement Program. In general, Congress continued the basic theme of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21) that “it is in the national interest to encourage and promote the safe and efficient management, operation, and development of surface transportation systems, that will serve the mobility needs of people and freight and foster economic growth and development within and between States and urbanized areas, while minimizing transportation-related fuel consumption and air pollution through metropolitan and statewide transportation planning processes.” In an effort to ensure the development of effective and efficient transportation systems, SAFETEA-LU reemphasized the commitments within TEA-21 and ISTEA, and that each state undertakes a continuous planning process that considers all modes of transportation (including accessible pedestrian walkways, and bicycle transportation facilities), integrates statewide and metropolitan planning initiatives, and utilizes management systems, comprehensive planning, and innovative financing mechanisms to the maximum extent possible to encourage and promote the safe and efficient management, operation, and development of surface transportation systems, that will serve the mobility needs of people and freight and foster economic growth and development within and between States and urbanized areas, while minimizing transportation-related fuel consumption and air pollution through metropolitan and statewide transportation planning processes.

As required by SAFETEA-LU Section 6001, subsection 135, paragraph (g) (1), the Statewide Transportation Improvement Program (STIP) is to be submitted for approval by the States to the Secretary, USDOT, that covers a period of four years and to be updated every four years or more frequently if the Governor elects to update more frequently. The STIP is to be developed for all areas of the state in cooperation with metropolitan planning organizations and local officials, shall be deemed consistent with the applicable State Implementation Plan developed pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.), shall contain primarily those project phases for which funding can reasonably be expected, and shall reflect the statewide priorities for programming and funds expenditure. The STIP is to be a truly multimodal plan, and the public must be afforded the opportunity to comment on the proposed program.

Kentucky submitted its first formal STIP document in 1992, only nine months after ISTEA became a law. Since that time, the Kentucky Transportation Cabinet (KYTC) has been working with the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), Metropolitan Planning Organizations (MPOs), Area Development Districts (ADDs), and local

governmental units to define and strengthen the cooperative processes put into practice by ISTEA, promoted in TEA-21, and further advocated in SAFETEA-LU. Requirements pertaining to management system implementation, public involvement in strategic planning, environmental justice, and statewide and metropolitan planning have all been carefully reviewed and processes identified to facilitate future transportation program development in Kentucky. These processes continue to evolve. This document demonstrates Kentucky's commitment to the development of a continuing planning process.

It should be noted that Kentucky's transportation programs are developed and implemented under strict legislative oversight at the state level. In particular, the highway program is governed by a section of state law that requires multiple considerations in highway program development. It also requires in-depth reporting to the state legislature of many program events such as monthly program authorizations, bid tabulations, construction project awards, change orders, and cost overruns. The KYTC's Six-Year Highway Plan is updated biennially under these guidelines, and the first two years of the Plan, the "biennial element," is actually line-itemed into the state's enacted biennial budget. The STIP covers a period of four years (FY 2007-2010). The STIP contains federally-funded projects, and only the state-funded projects that are regionally significant to meet air quality conformity requirements. These regionally significant projects will be state-funded priority projects.

As noted, the FY 2007-2010 STIP contains all federally-funded scheduled projects, including projects within the MPO areas. The projects identified in the STIP that are located within the designated MPO areas for Louisville, Lexington, Northern Kentucky, Fort Campbell, Henderson, Owensboro, Ashland, Bowling Green, and Radcliff/Elizabethtown require MPO approval and inclusion in the respective Transportation Improvement Program (TIP) prior to project funding authorization. Projects not in the current TIP will be subject to approval and subsequent amendments within the respective MPO TIP for each of these MPO areas. This will occur over the next 12 months via TIP amendments and updates to become SAFETEA-LU compliant.

The FY 2007-2010 STIP relies heavily upon the local Metropolitan Planning Organization (MPO) efforts for the Louisville, Lexington, Northern Kentucky, Fort Campbell, Henderson, Owensboro, Ashland, Bowling Green, and Radcliff/Elizabethtown areas. The following TIPs are incorporated by reference into this document:

- Ashland FY 2005-2008 TIP; approved November 2005
- Henderson/Evansville FY 2006-2008 TIP; approved June 2005
- Oak Grove/Clarksville FY 2006-2008 TIP; approved September 2005
- Lexington FY 2006-2009 TIP; approved June 2005
- Louisville FY 2006-2008 TIP; approved November 2005
- Northern KY FY 2006-2009 TIP; approved April 2005
- Owensboro FY 2006-2011 TIP; approved April 2006
- Bowling Green FY 2005-2010 TIP; approved June 2005
- Radcliff/Elizabethtown FY 2005-2008 TIP; approved August 2005

When new TIPs are finalized or amended, they will individually be incorporated into the STIP document through the STIP amendment process by reference. The KYTC recognizes the role of the MPOs in regional planning, and fully supports STIP contributions resulting from MPO decision-making processes.

The Planning and Research Annual Work Program is in compliance with the provisions of Section 307 of Title 23, United States Code, and includes programs and operations for planning activities in the KYTC and the Kentucky Cooperative Transportation Research Program (KCTRP). The Division of Planning is responsible for recommending, advising, and assisting the chief administrators of the KYTC in the development of the overall goals, policies, project priorities, and procedures relating to the total transportation program of the Department. The KCTRP is concerned with the development and conduct of a comprehensive research program in cooperation with the U.S. Department of Transportation, Federal Highway Administration (FHWA).

In addition to research developed in cooperation with the FHWA, the KCTRP performs other services for the KYTC on a nonparticipating basis. The scope of these services includes activities such as research studies and special investigations of various engineering and operation activities. The Research Program and Implementation Advisory Committee (RPIAC), headed by the State Highway Engineer and coordinated through the Research Coordinator, gives direction to the research program.

II. STIP Development

Section 135 of Title 23, United States Code, was amended by SAFETEA-LU Section 6001, subsection 135, to include a number of elements which must be considered within a state's continuous transportation planning process. These elements were identified as factors which, when properly addressed, would ensure connectivity between transportation, land use, environmental issues, investment strategies, national energy goals, and other "big picture" components of a comprehensive planning process. The KYTC recognizes the planning process requirements outlined in Sections 135 (d) and (e), and are developing mechanisms for evaluating these items as it strives to implement Kentucky's transportation planning process.

Appendix A, Exhibit A-1, contains the state's certification letters, including a self-certification statement which certifies that Kentucky's transportation planning process is being carried out in accordance with all applicable federal requirements. Copies of certifications regarding the following are on file in the Highway District Offices and the central Office of Personnel Management:

1. Political Activities Guidelines
2. Conflict of Interest Policy
3. Smoking Policy
4. Drug-Free Workplace Policy
5. Policy Statement on Persons with Disabilities
6. Equal Employment Opportunity Policy Statement
7. Workplace Violence Policy
8. Work Performed Off the Rights-of-Way of State Maintained Roads and Highways Policy
9. Sexual Harassment Policy and Procedures
10. Dress Code Statement
11. Internet and Electronic Mail Acceptable Use Policy
12. Employee Patent and Copyright Assignment
13. Memo-Holidays for State Personnel
14. Kentucky Employee Assistance Program Information Sheet

A. Planning Process Considerations

1. Agreements

To ensure that the statewide transportation planning process is carried out in coordination with other state and federal agency requirements, the KYTC has formalized agreements with the various transportation and resource agencies. These agreements have defined the roles of these agencies and governments, and yield a stronger platform from which future STIPs will be developed. The KYTC hereby affirms its commitment to these agreements for the purpose of stabilizing the statewide planning process. Copies of the MPO agreements for the urban planning processes are included in the MPOs Unified Planning Work Programs submitted to the FHWA annually. Copies of the agreements with the ADDs for the non-urban transportation planning process are maintained by the KYTC and available upon request.

2. Public Involvement

The FY 2007-2010 STIP was developed with an emphasis on public involvement and in a spirit of cooperation with local governments. The KYTC's statewide unscheduled projects listing (UPL) is continuously updated to reflect new projects and the UPL projects which have advanced to the Cabinet's Six-Year Highway Plan. This update process utilizes the twelve Highway District Offices and solicits input from Mayors, County Judges, MPOs, ADDs, Regional and MPO Transportation Committees, and State Legislators for the purpose of identifying non-Six-Year Highway Plan needs. Individual projects or needed corridor improvements are identified and assigned relative priorities and rankings by local officials, regional ADDs, and MPO Transportation Committees. Relative priorities and rankings are then applied by Highway District Office and Central Office staff with respect to needs district-wide and statewide, respectively. Those projects that rank consistently high at the local, regional, highway district, statewide levels, and meet other data-driven selection criteria, are recommended for inclusion in the Six-Year Highway Plan from which the STIP is developed. This process is repeated every two years to ensure that the Cabinet keeps its needs listing current and properly prioritized. This biennial update process assures a continuing and proactive planning process.

Beginning in 1995, the KYTC established a statewide transportation planning process that utilizes both the Highway District Offices and the Area Development District (ADD) committee structure. The Cabinet's Highway District Offices are working in concert with the ADDs and MPOs who have the major responsibility for a "proactive" and "review and comment" public involvement process. The ADDs public involvement process is centered on the following major points:

- A "transportation committee" representative of the transportation environment for the area has been established; the membership of this committee includes a diverse group of interests that impact or are impacted by the transportation system. These committees are charged with setting goals and objectives for the regional transportation system, evaluating the transportation systems, identifying needs, and with the evaluation, prioritization, and ranking of transportation needs every two years as input to Kentucky's transportation project selection process. Efforts were

made in establishing these committees to identify and involve the underserved population to ensure that their needs are considered.

- ADD Transportation Committee meetings are held periodically to continually evaluate the regional transportation system and to educate committee members about the statewide transportation planning process and current transportation issues and projects.
- The ADDs have also conducted public meetings or attended various civic meetings to discuss the statewide transportation planning process and to solicit direct input from interested individuals or groups.
- Committee meetings and public meetings are documented and the process is periodically reviewed to determine its effectiveness. Revisions are made as deemed appropriate.
- Each ADD incorporates members with a specific interest in highway safety on their transportation committees to ensure that safety-conscious planning is continually incorporated into the transportation planning process. The ADD Safety Planner also works in conjunction with the KYTC to implement Kentucky's Highway Safety Program through the collection of data, involvement on safety task teams, and development of safety education programs.

Supplemental to the Cabinet's public involvement efforts is the public involvement procedures utilized by the MPOs in the development of their respective Urbanized Area Long-Range Transportation Plans and TIPs. As mentioned previously, all activity pursuant to TIP development is considered part of the STIP. Each MPO has a public involvement plan that is available upon request and is incorporated into the TIP and Long-Range Transportation Plans by reference.

The highway element of the FY 2007-2010 STIP is based upon Kentucky's state-required Six-Year Highway Plan development and public participation processes. The KYTC continuously evaluates ways of reshaping current public involvement procedures to comply with ISTEA, TEA-21, and SAFETEA-LU public involvement requirements. In compliance with 23 U.S.C., Part 450.212; a basic public participation process was developed to solicit a greater degree of public input to the STIP and the long-range Statewide Transportation Plan. This process was updated during 2006 and published for public review and comments 45 days in May and June of 2006. A copy of the public participation process guidelines for the STIP and Statewide Transportation Plan are contained in Appendix A, Exhibit A-2. Copies of ADD and MPO work programs, transmittal letters for STIP, Statewide Transportation Plan, Six-Year Highway Plan, and other documents requesting public input are on file in the Highway District Offices and central office Division of Planning and Division of Program Management.

Central to the public participation process adopted by the KYTC, is the establishment of a STIP mailing list for the purpose of communicating STIP activity to interested parties. Amendments, revisions, or other matters affecting the STIP will utilize the mailing list as a coordination tool, ensuring that STIP actions occur in full public view.

The mailing list has served as the vehicle for increased public awareness relative to Kentucky's ongoing transportation program.

Appendix A, Exhibit A-3 contains the official statements from the Louisville Courier Journal, Lexington Herald-Leader, and the Kentucky Post newspapers verifying that advertisements were run in statewide newspapers referencing a 30-day public availability period for this edition of the STIP. The public availability period extended from July 17, 2006, through August 15, 2006. The KYTC provides notification to everyone on the STIP mailing list that the Draft STIP is available for public inspection at each of the KYTC Highway District Offices, the Area Development District Offices, Metropolitan Planning Organizations, the KYTC Central Offices in Frankfort, as well as available on the KYTC web site: <http://transportation.ky.gov/progmgmt/stip/stip06.htm>. In addition, the KYTC may hold public meetings as needed or place legal notices in other newspapers targeting specific populations as needed. The legal notices will include notification that translation services are available upon request.

3. Air Quality Considerations

Projects contained in the FY 2007-2010 STIP and located in areas designated "nonattainment" or "maintenance" for air quality standards must be consistent with Kentucky's State Implementation Plan (SIP) developed by the Kentucky Environmental and Public Protection Cabinet's Division for Air Quality (DAQ) pursuant to the Federal Clean Air Act. Transportation plans involving areas designated as "nonattainment" and "maintenance" are required to be subjected to a SIP conformity analysis to assure that planned projects will not create or contribute to adverse air quality impacts, and will be able to meet the National Ambient Air Quality Standards (NAAQS) in future years.

In urbanized areas, this conformity analysis is performed during the development and amendment processes of the urbanized area's long-range transportation plan. If found acceptable in this document, the project list of the shorter-range metropolitan area TIP must also be determined to be a subset of the transportation plan and thus, in conformance with the SIP. STIP projects for rural "nonattainment" and "maintenance" areas must also be evaluated in terms of SIP conformity. All projects are evaluated and a transportation conformity analysis is performed for each area. Once conformity to the SIP has been evaluated, USDOT is able to make a finding for each area and, ultimately, is able to approve the STIP. Additionally, project level conformity must be demonstrated to ensure that the project does not create, or contribute to, an air quality standard violation.

The Kentucky counties of Boyd, Boone, Kenton, Campbell, Jefferson, Bullitt, Oldham, and Christian were all designated as basic "nonattainment" for the 8-hour ozone NAAQS effective June 15, 2004. Christian County has since been redesignated by EPA from "nonattainment" to "attainment with a maintenance plan" status for the 8-hour ozone standard. Additionally, Boyd, a portion of Lawrence, Boone, Kenton, Campbell, Jefferson, and Bullitt Counties were all designated as "nonattainment" for the fine particulate (PM 2.5) NAAQS effective April 5, 2005. A portion of Boyd County is a "nonattainment" area for sulfur dioxide (SO₂). Muhlenberg County is designated as "attainment with a maintenance plan" status for SO₂. As required, regional conformity for ozone and PM 2.5 has been

demonstrated for the metropolitan planning areas of Clarksville-Hopkinsville (Christian County), Louisville (Bullitt, Jefferson, and Oldham Counties), Cincinnati-Hamilton (Boone, Campbell, and Kenton Counties), and Huntington-Ashland (Boyd County). The KYTC has shown conformity for these areas as required by June 15, 2005.

A conformity determination is required for the long-range transportation plans from each of these designated maintenance areas prior to the authorization of any federally-funded projects to ensure that air quality will not be adversely affected (i.e., no increase in carbon monoxide, volatile organic compounds (VOCs), nitrogen oxides (NOX), sulfur dioxide (SO₂), or particulate matter (PM)). Currently, all these areas in Kentucky have a conforming long-range plan. The Jefferson County Air Pollution Control District will perform the air quality evaluation of the Jefferson County long-range transportation plan. DAQ evaluates each conformity analysis. USDOT makes the conformity determination. SIP conformity documentation will be incorporated by reference into the STIP as the individual TIP updates are amended into the STIP. (See Appendix A, Exhibit A-4 for air quality conformity letters).

4. Congestion Mitigation and Air Quality Improvement Program

The FY 2007-2010 STIP has been developed in full recognition of Title 23, which establishes a distinct funding source to address Congestion Mitigation and Air Quality (CMAQ) issues. The FHWA and the FTA have set aside funds for CMAQ. The funds are made available for projects within the identified designated air quality areas for the purpose of reducing traffic congestion and improving air quality. In areas included in, or contiguous with a Metropolitan Planning Organization (MPO), applicants submit project requests (CMAQ applications) to the KYTC's Office of Special Programs. The MPOs will receive copies of all applications and have the opportunity to prioritize their requests and submit them to the KYTC's Office of Special Programs. The KYTC and the Kentucky Division for Air Quality (DAQ) work together in cooperation and selects projects to be funded as CMAQ funding is available. The FHWA reviews the projects for an eligibility determination and the KYTC is responsible for the disbursement and management of the CMAQ funds.

5. Fiscal Constraint

In accordance with 23 CFR 450.216(a)(5), the STIP is required to be financially constrained by year, include sufficient financial information to demonstrate which projects are to be implemented using current revenues, and which projects are to be implemented using proposed revenue sources, while the system as a whole is being adequately operated and maintained. The FY 2007-2010 STIP Fiscal Balance Worksheets (Table 1, pages 11, 12, and 13) show anticipated funding levels (existing and projected federal fund apportionments) and compares them against planned outlays (obligations) for each of the next four fiscal years. The FY 2007-2010 STIP federal funding level forecasts are based on SAFETEA-LU, the most recent transportation reauthorization act. SAFETEA-LU was enacted by the United States Congress in 2005 and provided identified levels of funding dedicated to each state through 2009. These state-specific levels of funding were broken down into individual program funding categories as determined by SAFETEA-LU's application to Federal Highway Trust Fund formulas. For the purposes of this edition of the 2006 STIP, the funding levels for FY 2010 were assumed to be equivalent to those for fiscal year 2009, the last year of SAFETEA-LU.

Kentucky's federal highway program will be largely matched with "toll credits" with the only exception being the Appalachian Development (APD) Program. The APD funding requires 20 percent state matching funds, and the use of toll credits is not eligible for providing the required matching funds associated with the APD funding. Toll credits are attributed to Kentucky by federal highway law, in accordance with calculations that consider past levels of state fund investment, such as state-sponsored toll roads, in the federal highway system. Toll credits do not generate cash and cannot be accounted as such; however, they do permit the KYTC the flexibility to use 100% federal funding on federal-aid projects. By doing so, the KYTC can allocate more of its own state funding for state "SP" projects, yielding increased cash management controls.

The federal funding target amounts used to fiscally balance the FY 2007-2010 STIP, based upon projected estimated apportionments of category-by-category federal funding expectations of total federal-aid dollars available during Fiscal Years 2007 through 2010, is anticipated to be approximately \$2.7 billion. Adding the carry-over federal funding from FY 2006, the total revenue expectation that supports projects in this edition of the 2006 STIP is approximately \$2.9 billion. It is possible that the final federal appropriation for any given year may change these estimates slightly, but these changes should not substantially alter the ability of the Cabinet to deliver planned federal-aid highway projects. Thus, end of fiscal year "Fiscal Constraint" recalculations are conducted within each of the STIP funding programs to compare the federal funding obligations to the planned obligations for the current fiscal year, to assure that the federal program is "fiscally-constrained."

It is important to note that Kentucky oftentimes utilizes federal prefinancing provisions in programming federal funding through the FHWA defined as "Advance Construction (AC). The federal prefinancing AC process is defined as "Advance Construction of Federal-aid Projects," whereby the state may request and receive approval to construct federal-aid projects in advance of the apportionment of authorized federal-aid funds. By using the AC funding mechanism, Kentucky has maximized its ability to return federal dollars to the state more quickly, while at the same time accelerating many federal highway projects. Federal AC prefinancing requires that the State Road Fund keep approximately \$30 million on hand to cover the advance state fund outlays in support of the federal program acceleration. Kentucky's prefinancing AC totals range between \$250 million to \$300 million in federally-funded projects, supported by funding from the State Road Fund cash for associated project billings until the federal share of these costs can be billed to the federal government the following federal fiscal year. The Cabinet continually monitors the "net cash balance" of these federal AC prefinanced projects, and these results are included within the month-to-month consideration of this federal program's flexibility in the overall cash flow management procedures of the state and federally-funded programs.

It is also important to note that the KYTC utilizes innovative financing options permitted under federal transportation law. In particular, during the 2004 General Assembly's Legislative Session, House Bill 418 was passed, enabling the KYTC to pursue a specific group of interstate widening projects through an innovative financing technique known as "Grant Anticipation Revenue Vehicles (GARVEEs)." The General Assembly's enactment of House Bill 267 (Appropriations Bill) during the 2005 Legislative Session, provided to the KYTC approval of \$150 million in appropriation authority in Fiscal Year 2004-2005 for GARVEE Bond Funds. In addition, during the 2006 General Assembly's

Legislative Session the General Assembly provided within House Bill 380 approval to the KYTC an additional \$290 million in appropriation of authority in Fiscal Years 2006-2008 for GARVEE Bond Funds. This provided the KYTC \$440 million in appropriation authority for GARVEE Bond Funds. Along with the approval of the \$440 million in appropriation authority, the General Assembly approved the utilization of federal funding appropriation authority to provide debt service payments on the GARVEE Bonds. The GARVEE financing technique is permitted by federal law and involves the commitment of future federal-aid appropriations as leveraging for current year highway improvements. The primary benefit of such an arrangement is that major highway improvements can be purchased at today's prices and paid for with interest over a multi-year timeframe. The application of the GARVEE principle is very similar to home mortgage financing, but is used to purchase major highway investments when "pay-as-you-go" is not the desirable course.

With the passage of the enabling legislation in 2004, the 2005 House Bill 267, and the 2006 House Bill 380 appropriation authority, the KYTC has begun activities for the following major interstate widening projects during the upcoming biennium:

- Interstate 65: The corresponding project phases to widen I-65 to six lanes from the Tennessee state line to Bowling Green (total estimated cost \$178 million) is shown in the list of federally-funded projects, with a Fund Type of JM1, fiscal year schedule, estimated total phase cost, and with \$0 federal portion. The cost of the project construction phases will be paid with GARVEE Bonds. The breakdown of the required IM and NH funding to cover the debt service for the I-65 GARVEE Bond JM1 projects is shown under the ZVARIOUS County Item Numbers 99-9065 series.
- Interstate 75: The corresponding project phases to widen I-75 to six lanes from the end of the current six-lane section in northern Scott County to the current six-lane section south of KY 22 in Grant County (total cost \$135 million) is shown in the list of federally-funded projects, with a Fund Type of JM2, fiscal year schedule, estimated total phase cost, and with \$0 federal portion. The cost of the project construction phases will be paid with GARVEE Bonds. The breakdown of the required IM and NH funding to cover the debt service for the I-75 GARVEE Bond JM2 projects is shown under the ZVARIOUS County Item Numbers 99-9075 series.
- Interstate 64: The corresponding project phases to widen I-64 to six lanes from the Snyder Freeway in Jefferson County to Shelbyville (total cost \$127 million) is shown in the list of federally-funded projects, with a Fund Type of JM3, fiscal year schedule, estimated total phase cost, and with \$0 federal portion. The cost of the project construction phases will be paid with GARVEE Bonds. The breakdown of the required IM and NH funding to cover the debt service for the I-64 GARVEE Bond JM3 projects is shown under the ZVARIOUS County Item Numbers 99-9064 series.

Each of these interstate widening projects constitutes a necessary investment in Kentucky's future. The need to accommodate both people movement and freight movement in each of these highway corridors is critical to Kentucky's economy in the years ahead. Each of these routes currently carries a disproportionately high percentage of truck traffic, and forecasts call for the numbers of trucks in the traffic stream to continue to

increase as NAFTA continues to yield higher and higher volumes of freight from Latin America to Canada. Without the GARVEE Bond Program, these construction sections of widening I-65, I-75, and I-64 within the three designated areas would continue to be piecemealed over time, and likely not completed until the year 2015 to 2020. The innovative idea of GARVEE Bonds, along with determined state leadership, will yield the kind of realistic solution necessary to reverse the “always behind” mentality of the past and help restore hope to Kentucky’s transportation program.

The federal funding for the construction phases identified within the GARVEE Bond Program will be programmed through the FHWA as Advance Construct (AC) projects. Again, as explained previously, the AC process is defined as “Advance Construction of Federal-Aid Projects,” whereby the state may request and receive approval to construct federal-aid projects in advance of the apportionment of authorized federal-aid funds. The AC conversion of the federal funding for the GARVEE Bond Program will be distributed over a period of fourteen years, and will be in accordance with the GARVEE Bond Program Memorandum of Agreement (MOA). At the beginning of each federal fiscal year, federal programming documents for GARVEE Bond projects AC conversions will be submitted to the FHWA to use current IM and NH apportionments and current Formula Funding obligation authority. The total amount of the AC conversions will be the amount of federal funding required to cover the yearly debt service (principal, interest, and other costs incidental to the sale of eligible bond issue) as outlined in the attached projected yearly debt service payments by fiscal year for the GARVEE Bond Program. The required IM (40%) and NH (60%) funding to cover the yearly debt service amount for the GARVEE Bonds will be included in the end-of-year “Fiscal Constraint” determination, and will be included within the preparation of future STIPs and Fiscal Constraint calculations. The debt service funding will be matched with toll credits.

As noted, the list of projects within the 2006 STIP includes federally-funded projects and only the state-funded projects that are regionally significant to meet air quality conformity requirements, including the projects within the MPO areas. The projects located within each of the MPO areas included within the STIP are subject to approval and inclusion within the respective MPO Transportation Improvement Program (TIP) and subsequent amendments for each of these MPO areas. In addition, like the 2006 STIP, in accordance with 23 CFR 450.324(e), the TIP is required to be financially constrained by year and include a financial plan that demonstrates which projects can be implemented using current revenues, and which projects are to be implemented using proposed revenue sources, while the existing transportation system is being adequately operated and maintained. Each of the MPO TIP’s financial plan is developed in cooperation with the KYTC and the transit operators, based upon projected estimates of available federal and state funds within the MPO areas. Based upon the financial plan, the MPO TIP’s contain only project phases that funding can be reasonably expected to be available for each of the project’s identified phase, funding source, fiscal year schedule, and the estimated cost.

TABLE 1

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM FISCAL BALANCE SHEET
FY 2007-2010 PLANNED FEDERAL-AID PROGRAM
APPORTIONMENTS VERSUS PLANNED OBLIGATIONS

| ESTIMATED APPORTIONMENTS (IN MILLIONS) | | | | | | | |
|---|---|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------|
| PROGRAM | ESTIMATED 06 CARRYOVER APPORTIONMENTS (SEE NOTE 1) | 06 CARRYOVER OBLIGATION AUTHORITY | FY-07 (SEE NOTE 2) | FY-08 (SEE NOTE 2) | FY-09 (SEE NOTE 2) | FY-10 (SEE NOTE 2) | TOTAL STIP \$ |
| I. HIGHWAY FEDERAL FUNDS (Based on TEA-21) | | | | | | | |
| BRIDGE REPLACEMENT | 91 | 0 | 65 | 68 | 69 | 69 | 269 |
| CONGESTION MITIGATION (CM) | 12 | 0 | 12 | 12 | 12 | 12 | 48 |
| PLANNING (SPR/PL) | 16 | 0 | 10 | 10 | 10 | 10 | 40 |
| INTERSTATE/INTERSTATE MAINTENANCE (IM) | 20 | 0 | 113 | 118 | 119 | 119 | 470 |
| NATIONAL HIGHWAYS (NH) | 97 | 0 | 125 | 131 | 132 | 132 | 521 |
| SAFETY (SAF) PROGRAM | 24 | 0 | 26 | 26 | 27 | 27 | 105 |
| SURFACE TRANSPORTATION (Includes Statewide STP Dedicated STP within MPO Areas, and Transportation Enhancement (TE), (SEE NOTE 3)) | 203 | 0 | 160 | 172 | 168 | 168 | 669 |
| FEDERAL DEMONSTRATION PROJECTS (STATEWIDE HPP) | 124 | 99 | 73 | 88 | 89 | 0 | 350 |
| FEDERAL DISCRETIONARY PROJECTS (KVD) | 68 | 6 | 14 | 0 | 0 | 0 | 20 |
| FOREST HIGHWAY/PUBLIC LANDS (FH) | 5 | 4 | 1 | 1 | 1 | 1 | 6 |
| APPALACHIAN DEVELOPMENT (APD) (20% State Match Required) | 203 | 93 | 69 | 69 | 69 | 69 | 368 |
| SUBTOTALS "HIGHWAY FEDERAL FUNDS" | 864 | 202 | 667 | 694 | 696 | 607 | 2,866 |
| II. STATE FUNDS (SP OR BP) | | | | | | | |
| STATE CONSTRUCTION FUNDS (SP or BP) | 0 | 0 | 125 | 125 | 80 | 80 | 410 |
| STATE MATCHING FUNDS (SEE NOTE 4) | 0 | 0 | 17 | 17 | 17 | 17 | 68 |
| STATE FUNDED OPERATIONS AND MAINTENANCE PROGRAM | 0 | 0 | 278 | 286 | 294 | 303 | 1,162 |
| SUBTOTALS STATE FUNDS TOTALS | 0 | 0 | 420 | 428 | 391 | 400 | 1,640 |
| HIGHWAY FUNDING TOTALS | 864 | 202 | 1,087 | 1,122 | 1,087 | 1,007 | 4,505 |
| III. FEDERAL TRANSIT/STATE ASSISTANCE | | | | | | | |
| SECTION 5311 RURAL TRANSPORTATION | | | 7.2 | 7.2 | 7.2 | 7.2 | 28.8 |
| SECTION 5310 SPECIALIZED PROGRAMS | | | 1.6 | 1.6 | 1.6 | 1.6 | 6.4 |
| KENTUCKY SECTION 5307 | | | 20.0 | 15.0 | 15.0 | 15.0 | 65.0 |
| PUBLIC TRANSIT CAPITAL DISCRETIONARY | | | 10.0 | 10.0 | 8.0 | 8.0 | 36.0 |
| SUBTOTALS "TRANSIT FEDERAL FUNDS" | | | 38.8 | 33.8 | 31.8 | 31.8 | 136.2 |
| SECTION 5311 (STATE FUNDING) | | | 0.0 | 0.2 | 0.0 | 0.0 | 0.2 |
| SECTION 5311 (LOCAL FUNDING) | | | 7.2 | 7.2 | 7.2 | 7.2 | 28.8 |
| SECTION 5311 (CONREY & FAREBOX FUNDING) | | | 40.0 | 40.0 | 40.0 | 40.0 | 160.0 |
| SECTION 5310 (STATE FUNDING) | | | 0.5 | 0.5 | 0.5 | 0.5 | 2.0 |
| SECTION 5310 (LOCAL FUNDING) | | | 0.5 | 0.5 | 0.5 | 0.5 | 2.0 |
| SECTION 5307 (LOCAL FUNDING) | | | 2.5 | 2.5 | 0.2 | 0.2 | 5.4 |
| PUBLIC TRANSIT CAPITAL DISCRETIONARY (STATE MATCH) | | | 1.4 | 1.2 | 1.2 | 1.2 | 5.0 |
| PUBLIC TRANSIT CAPITAL DISCRETIONARY (LOCAL MATCH) | | | 1.4 | 1.2 | 1.2 | 1.2 | 5.0 |
| SUBTOTALS "NON FEDERAL TRANSIT FUNDS" | | | 53.5 | 53.3 | 50.8 | 50.8 | 208.4 |
| TRANSIT FUNDING TOTALS | | | 92.3 | 87.1 | 82.6 | 82.6 | 344.6 |

TABLE 1

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM FISCAL BALANCE SHEET
FY 2007-2010 PLANNED FEDERAL-AID PROGRAM
APPORTIONMENTS VERSUS PLANNED OBLIGATIONS

| PLANNED OBLIGATIONS (IN MILLIONS) | | | | | | | | | |
|--|--|---|-------|-------|-------|-------|-----------------------------|--|--|
| PROGRAM | | PROJECTED END OF FY 2006 ADVANCE CONSTRUCTION PROJECTS (SEE NOTE 5) | FY-07 | FY-08 | FY-09 | FY-10 | PLANNED STIP OBLIGATIONS | RATIO OF OBLIGATIONS TO APPORTIONMENTS | |
| I. HIGHWAY FEDERAL FUNDS | | | | | | | | | |
| BRIDGE REPLACEMENT | | 16 | 54 | 72 | 66 | 56 | 249 | 0.92 | |
| CONGESTION MITIGATION (CM) | | 1 | 12 | 12 | 12 | 12 | 49 | 1.01 | |
| PLANNING (SP/PL) | | 13 | 10 | 10 | 10 | 10 | 40 | 1.00 | |
| INTERSTATE/INTERSTATE MAINTENANCE (IM) | | 25 | 156 | 122 | 109 | 106 | 493 | 1.05 | |
| NATIONAL HIGHWAYS (NH) | | 65 | 126 | 139 | 132 | 144 | 541 | 1.04 | |
| SAFETY (SAP) PROGRAM | | 1 | 25 | 26 | 24 | 26 | 101 | 0.96 | |
| SURFACE TRANSPORTATION (Includes Statewide STP, Dedicated STP within MPO Areas, and Transportation Enhancement (TE), (SEE NOTE 3)) | | 135 | 259 | 233 | 183 | 162 | 837 | 1.25 | |
| DEMO PROJECTS (HPP) | | 0 | 73 | 89 | 91 | 0 | 253 | 0.72 | |
| DISCRETIONARY PROJECTS (KYD) | | 0 | 10 | 5 | 0 | 0 | 16 | 0.76 | |
| FOREST HIGHWAY/PUBLIC LANDS (FH) | | 0 | 1 | 1 | 1 | 1 | 2 | 0.40 | |
| APPALACHIAN DEVELOPMENT (APD) | | 0 | 61 | 70 | 51 | 79 | 262 | 0.71 | |
| SUBTOTALS "HIGHWAY FEDERAL FUNDS" | | 256 | 787 | 779 | 679 | 596 | 2,842 | 0.99 | |
| II. STATE FUNDING (SP OR BP) | | | | | | | | | |
| NON-EXEMPT STATE FUNDED PROJECTS | | 0 | 98 | 147 | 56 | 27 | 327 | 0.80 | |
| STATE MATCHING FUNDS | | 0 | 17 | 17 | 17 | 17 | 68 | 1.00 | |
| STATE FUNDED OPERATIONS AND MAINTENANCE PROGRAM | | 0 | 278 | 286 | 294 | 303 | 1,162 | 1.00 | |
| SUBTOTALS "STATE FUNDS" | | 0 | 393 | 450 | 368 | 347 | 1,557 | 0.95 | |
| HIGHWAY FUNDING OBLIGATION TOTALS | | | | | | | | | |
| | | 256 | 1,180 | 1,229 | 1,047 | 943 | 4,399 | 0.98 | |
| III. FEDERAL TRANSIT/STATE ASSISTANCE | | | | | | | | | |
| SECTION 5311 RURAL TRANSPORTATION | | | 7.2 | 7.2 | 7.2 | 7.2 | 28.8 | 1.00 | |
| SECTION 5310 SPECIALIZED PROGRAMS | | | 1.6 | 1.6 | 1.6 | 1.6 | 6.4 | 1.00 | |
| KENTUCKY SECTION 5307 | | | 20.0 | 15.0 | 15.0 | 15.0 | 65.0 | 1.00 | |
| PUBLIC TRANSIT CAPITAL DISCRETIONARY | | | 10.0 | 10.0 | 8.0 | 8.0 | 36.0 | 1.00 | |
| SUBTOTALS "TRANSIT FEDERAL FUNDING OBLIGATIONS" | | | 38.8 | 33.8 | 31.8 | 31.8 | 136.2 | 1.00 | |
| SECTION 5311 (STATE FUNDING) | | | 0.0 | 0.2 | 0.0 | 0.0 | 0.2 | 1.00 | |
| SECTION 5311 (LOCAL FUNDING) | | | 7.2 | 7.2 | 7.2 | 7.2 | 28.8 | 1.00 | |
| SECTION 5311 (CONREY & FAREBOX FUNDING) | | | 40.0 | 40.0 | 40.0 | 40.0 | 160.0 | 1.00 | |
| SECTION 5310 (STATE FUNDING) | | | 0.5 | 0.5 | 0.5 | 0.5 | 2.0 | 1.00 | |
| SECTION 5310 (LOCAL FUNDING) | | | 0.5 | 0.5 | 0.5 | 0.5 | 2.0 | 1.00 | |
| SECTION 5307 (LOCAL FUNDING) | | | 2.5 | 2.5 | 0.2 | 0.2 | 5.4 | 0.00 | |
| PUBLIC TRANSIT CAPITAL DISCRETIONARY (STATE MATCH) | | | 1.4 | 1.2 | 1.2 | 1.2 | 5.0 | 1.00 | |
| PUBLIC TRANSIT CAPITAL DISCRETIONARY (LOCAL MATCH) | | | 1.4 | 1.2 | 1.2 | 1.2 | 5.0 | 1.00 | |
| SUBTOTALS "NON FEDERAL TRANSIT FUNDING OBLIGATIONS" | | | 53.5 | 53.3 | 50.8 | 50.8 | 208.4 | 1.00 | |
| TRANSIT FUNDING OBLIGATIONS TOTALS | | | 92.3 | 87.1 | 82.6 | 82.6 | 344.6 | 1.00 | |

TABLE 1

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM FISCAL BALANCE SHEET
FY 2007-2010 PLANNED FEDERAL-AID PROGRAM
APPORTIONMENTS VERSUS PLANNED OBLIGATIONS

NOTES FOR ITEMS WITHIN FY 2007 - 2010 STIP FISCAL BALANCE SHEET

- (1) THE APPORTIONMENT BALANCES SHOWN ARE NOT INDICATIVE OF ACTUAL OBLIGATION AUTHORITY BALANCES. DUE TO FEDERAL LIMITATIONS, THE ACTUAL TOTAL OBLIGATION AUTHORITY BALANCE ENTERING FY 2007 FOR THE FEDERAL "FORMULA FUNDING" WILL BE ZERO.
- (2) FEDERAL FUNDS FOR FY 2007, FY 2008, FY 2009 AND FY 2010 ARE BASED ON SAFETEA-LU'S APPORTIONMENT TABLES AND THE DISCRETIONARY FUNDING IS BASED UPON THE TOTAL DISCRETIONARY FUNDING DIVIDED BY 6 YEARS EQUALS THE FUTURE ANNUAL DISCRETIONARY FUNDING.
- (3) SURFACE TRANSPORTATION PROGRAM BALANCES INCLUDE MINIMUM GUARANTEE AND EQUITY BONUS LIMITATION ADJUSTMENT FUNDING. THE DEDICATED STP FUNDING FOR SHN, SLO, SLX, AND SNK FUNDING CATEGORIES, ALONG WITH OTHER FEDERALLY FUNDED PROJECTS WITHIN THE MPO AREA ARE FISCALLY CONSTRAINED WITHIN EACH OF THE CORRESPONDING MPO TIP'S FINANCIAL PLAN.
- (4) TOLL CREDITS WILL BE USED FOR REQUIRED MATCHING FUNDS FOR FY 2007 THROUGH FY 2010 FUNDING, EXCEPT THE APD DESIGNATED FUNDING WHICH WILL BE MATCHED WITH 20 PERCENT STATE FUNDING. THE USE OF TOLL CREDITS INCREASES THE USE OF FEDERAL FUNDING CONTRIBUTION FROM 80/90 PERCENT TO 100 PERCENT OF PROGRAMMED COST. THUS, REDUCING THE AVAILABLE FEDERAL FUNDING ACCORDING. THE 20 PERCENT STATE MATCHING FUNDS WILL ONLY BE USED APD FUNDING, AND IS REFLECTED AS ESTIMATED APPORTIONMENTS UNDER STATE MATCHING FUNDS.
- (5) IF PLANNED OBLIGATIONS ARE GREATER THAN THE ANNUAL APPORTIONMENTS IN A GIVEN FISCAL YEAR, THE DIFFERENCE WILL BE MANAGED USING THE FEDERAL "ADVANCE CONSTRUCTION" MECHANISM. WHILE THE GOAL OF KYTC IS TO MAINTAIN A YEARLY TOTAL OF LESS THAN \$300 MILLION EACH FISCAL YEAR FOR "ADVANCE CONSTRUCTION". HOWEVER THIS DEPENDS UPON SEVERAL FACTORS INCLUDING THE TIMING OF THE ACTUAL RELEASE OF YEARLY FEDERAL OBLIGATION AUTHORITY AND THE PROGRAMMING OF FEDERAL FUNDED PROJECTS NEAR THE END OF THE FEDERAL FISCAL YEAR.

As evidenced by Table 1, Kentucky's STIP is fiscally-constrained for the next four years. For informational purposes, the STIP also contains several state-funded (SP) projects, Appendix A-5 C and D, which are critical for SIP compliance and conformity determinations. Each of these SP projects will be given priority as future allocations of state highway program dollars are allocated.

The authorization and programming of all state and federal funding for the transportation program will be accommodated through the KYTC's cash flow management program. When the planned obligations exceed estimated apportionments by program category, unobligated previous apportionments will be used, or moneys will be transferred between categories, or flexible funding such as "Minimum Guarantee" will be used to close the program-specific funding gap to the extent that air quality conformity for the region is not jeopardized.

To reiterate, the KYTC's goal is to fund the federal program as outlined in the 2006 Enacted SYP as approved by the 2006 Kentucky General Assembly, unless Congress and the FHWA direct otherwise. The projects listed as presented, in no way constitute an effort to denigrate the importance of any project to the community or region it serves. The KYTC will work diligently to implement all STIP projects as quickly as funding limitations will permit.

Shifting projects between fiscal years of the STIP will be accomplished only when determined essential to the effective use of federal highway program dollars. It is expected that such changes would normally be "minor," for example; advancing a non-controversial project to replace a project not able to meet the assigned schedule, with respect to STIP activity. If such adjustments involve actions determined by the KYTC to be "major" in nature (e.g., acceleration of a controversial project), then a formal STIP amendment would be pursued.

The operation and maintenance of existing transportation facilities within the state is a primary concern among Kentucky citizens, and included within the FY 2007-2010 STIP are federally-funded system preservation projects. In addition to the federally-funded system preservation projects, Table 1 contains a line-item outlining the FY 2007-2010 scheduled state funding for the KYTC's operations and maintenance program.

Included within the MPO TIP's is a financial plan that demonstrates how the TIP can be implemented, identifies funding resources from public and private sources, and identifies innovative financing techniques to finance projects and programs. The development of the projected estimates of funding resources is developed through cooperative efforts of the MPO, the KYTC, and Public Transportation Agencies. Also, included within the financial plan are line-items for projected funding and obligations for operations and maintenance activities for existing facilities. Again, the projected funding resources were prepared through cooperative efforts of the MPO, the KYTC, and Public Transportation Agencies by utilizing expenditures data from the KYTC Fiscal Year Audit Reports for actual operations and maintenance expenditures within the MPO areas. (See Appendix B - Metropolitan Planning Organization (MPO) Financial Plans)

6. Amendments/Revisions

As outlined in 23 CFR 450.212(d), a reasonable opportunity for public review and comment must be afforded whenever “major” revisions to the STIP are proposed between formal update cycles. The need for a STIP amendment is determined by an action to add, delete, or materially change a project’s fund source, MPO Transportation Improvement Program (TIP) standing, or significant project scope adjustment. Changes determined to be “major” that are from areas outside of the MPO boundaries will require public involvement when it is agreed by the KYTC and the FHWA that such change significantly alters the planning level conditions set forth by the STIP. The need for public input is dependent upon the complexity of the proposed revision and will be determined by state and local officials on a “case-by-case” basis. For amendments determined to be “major” that are from areas outside of the MPO boundaries, a 30-day public review period will be provided, with newspaper advertisements and other possible public outreach efforts described above targeted to the specific region of the state directly affected by the proposed STIP amendment. Copies of the proposed amendment will be displayed at the appropriate Highway District, ADD, and MPO offices for public review and comment. At the conclusion of the 30-day review period, public comments will be addressed, additional public outreach will be conducted as necessary, and the final amendment will be provided to the FHWA and the FTA for approval.

For amendments to the STIP from areas within MPO boundaries, the public involvement conducted for the respective TIP may suffice as the required public involvement for the STIP. For minor amendments to the STIP, the official STIP mailing list will be utilized to distribute information pertaining to the revision. Public involvement is not required for minor STIP amendments, or additions and/or deletions to the list of projects that are grouped together and listed as “ZVarious.” Administrative modifications to the STIP also do not require public involvement since those types of changes are defined as minor data entry error corrections, splitting or combining projects without modifying the original project design, concept, and scope, or moving a project from one federal funding category to another.

B. STIP Projects

ISTEA put into practice, TEA-21 promoted, and SAFETEA-LU further advocates that transportation-planning processes be broadened to include the intermodal aspects of the nation’s transportation system. Each state is to (1) establish a statewide transportation planning process that considers all modes of transportation including the intermodal movement of people and goods, and (2) develop an intermodal management system that addresses the connections, choices, and cooperation between the various modes of transportation. The KYTC has incorporated an intermodal planning process through the statewide and regional transportation planning process that identifies and assesses intermodal facilities and systems and highway access to these facilities on a continuous basis. The KYTC hopes to further develop its processes to use performance criteria and relevant data to determine the efficiency and effectiveness of these facilities and systems, and identify projects and strategies to improve the intermodal movement of people and goods.

Specific activities that the KYTC has undertaken to develop this intermodal planning process included integrating freight movement and modal access tasks into the Annual Work

Program of the ADDs and MPOs, identifying and discussing intermodal issues through the Statewide Transportation Planning Meetings, the identification of intermodal access projects in the Unscheduled Projects List, and the dedication of specific staff to the freight movement issues. Improvement projects and strategies resulting from the studies and prioritization process based on selected criteria, as well as the other pertinent data, will be considered for inclusion in the statewide transportation plan for future implementation. TEA-21 further required that (1) the plans and programs for each state provide for development of integrated management and operation of transportation systems that will function as an intermodal transportation system for the state, and an integral part of an intermodal transportation system for the United States, and (2) the process shall provide for consideration of all modes and be continuing, cooperative, and comprehensive.

SAFETEA-LU also mandated the specific listing of pedestrian walkways and bicycle transportation facilities for all projects using federal funds as well as adding a new stand-alone planning factor to “increase the security of the transportation system for motorized and non-motorized users.” The Cabinet is attempting to be “pre-compliant” with these SAFETEA-LU regulations to the extent practicable.

SAFETEA-LU outlines that each state carry out a statewide transportation planning process that provides for consideration and implementation of projects, strategies, and services that will promote efficient system management and operation, and emphasize the preservation of the existing transportation system. In keeping with SAFETEA-LU, the KYTC mission is “to provide a safe, secure, and reliable highway system that ensures the efficient mobility of people and goods, thereby enhancing both the quality of life and economic vitality of the Commonwealth.” Simply stated, the KYTC’s goal is to provide “safe and reliable roads, roads that lead to jobs,” and the 2006 Enacted SYP and FY 2007-2010 STIP have been developed to support that goal.

1. Planned Highway Improvements

In developing the highway element of the FY 2007-2010 STIP, the KYTC relied heavily upon its ongoing project identification and scheduling mechanisms, particularly the long-range planning process. The KYTC projected federal and state funding levels and produced the development of the Recommended FY 2007-2012 Six-Year Highway Plan (SYP) submitted to the Kentucky General Assembly in February 2006, and they approved the 2006 Enacted SYP in April 2006. The 2006 Enacted SYP constitutes the primary basis for the federal-aid highway element of the FY 2007-2010 STIP. Included within the 2006 Enacted SYP are projects shown as having HPP funding and KYD funding. These are projects that have been earmarked by Congress to be funded with special high priority (HPP) funding, or have been earmarked by Congress to receive federal discretionary (KYD) funding. Also, included within the 2006 Enacted SYP are projects that are scheduled to use GARVEE Bond funding as described within STIP Development; Section 5: Fiscal Constraint information.

To help achieve these goals, the identification of highway needs has been accomplished through in-house evaluations of highway performance and adequacy, meshed with input received from state legislators, local officials through MPO TIPs and Long-Range Transportation Plans, input from non-urban local officials and ADD transportation committees, small urban area transportation studies, consideration of comments from the general public, and within our own agency’s Central Office and District Offices. Each of these sources yielded valuable input for consideration in the development of the state’s Long-Range and Six-Year Highway programs.

The KYTC considered technical data on the ability of candidate projects to improve safety, increase system reliability, and contribute toward enhancing regional economic attractiveness. Unfortunately, the needs on our highway system far outweigh our ability to meet them all. The KYTC is working to improve the evaluation of all active and potential projects to ensure that every dollar we spend is used to address the most critical and cost effective improvements. In doing so, the KYTC can concentrate available funds on those projects that truly result in safer roadway conditions, better pavements and bridges, and improved local economies.

As the Six-Year Highway Plan was developed, projects were pulled from the Cabinet's Long-Range Transportation Plan, which is formally updated periodically, and draws from the MPO Long-Range Transportation Plans, to fill in gaps where federal and state funding could reasonably be expected from FY 2007-2010. By following this continuing process, the Cabinet's long-range planning efforts have served to maintain a stream of prioritized candidate projects for inclusion and advancement in Kentucky's Six-Year Highway Plan. As the federally-required long-range planning process matures, the Six-Year Highway Plan and STIP documents will be strengthened by the focus on longer-range program management considerations. It is expected that future editions of Kentucky's STIP will reflect a strategy for implementation resulting from more clearly defined longer-range transportation goals.

As outlined within the STIP Introduction, the FY 2007-2010 STIP is a planning document that covers a period of four years, and is updated every two years upon approval of the KYTC Six-Year Highway Plan (SYP) by the Kentucky General Assembly. Project phases scheduled for FY 2006 in the STIP, are scheduled to be obligated before the end of FY 2006. However, for those project phases scheduled for FY 2006 that the scheduled funding is not obligated before the end of FY 2006, the identified scheduled funding of the project will roll over into FY 2007. With the STIP being a planning document, the projects, schedules, and estimated costs identified within the FY 2007-2010 STIP are based upon the most current project information at the time of preparing the SYP and STIP. As work progresses within each phase of the projects, the project team refines the project scope, schedules, and estimated costs to complete the project. The programming of project funding for project refinements will follow the STIP amendments/revisions process outlined in Section 6 of the STIP, and along with the STIP end of Fiscal Year "fiscal constraint" recalculations.

The listing of FY 2007-2010 STIP projects is contained in Appendix A, Exhibit A-5. The KYTC will administer each of the projects listed unless clearly indicated in the project description as being handled otherwise. Included as part of the listing of projects, is the "Priority" column which is a quick reference for project priority of the corresponding project. The project priority is listed as Safety, Reliability, or Economic Development as defined by the following definitions:

Safety: Providing for the safety and security of the motorists who travel Kentucky's highways is the KYTC's highest priority. The FY 2007-2010 STIP includes several programs of projects that serve to address the safety needs on Kentucky's highways. SAFETEA-LU requires that all states develop a Highway Safety Improvement Program (HSIP) that combines all statewide enforcement, engineering, education, and emergency response issues into a single coherent plan. The "engineering" element of the HSIP is

included in the Six-Year Highway Plan, while the other issues are funded through the regular budgets of the KYTC and the Justice Cabinet.

The “engineering” component of highway safety generally revolves around the federal-aid Hazard Elimination and Safety (HES) and Rail/Highway Crossing (RRP and RRS) Programs. In addition to multiple site-specific roadway improvements carried out through these programs, the KYTC is also seeking to implement low-cost safety improvements that can be accomplished with state maintenance forces with minimum disruption to the traveling public. Additionally, the KYTC is working to implement a new program aimed at reducing “lane departures.” Envisioned to run parallel with the KYTC’s resurfacing program, the idea is to address known safety issues (such as tree removal, centerline rumble strips, old concrete headwall removals, etc.) to eliminate roadside obstacles or otherwise improve safety as the road is being resurfaced. Again, the focus is on minimal disruption to the traveling public as this service is being performed.

Reliability: The condition of roads and highways in the state is a primary concern among Kentucky’s citizens. Poor pavements detract from the driving experience, and road maintenance and resurfacing are the top transportation investment needs in our state. These issues certainly resonate with the KYTC, as we too see the value in protecting the infrastructure with which the public has entrusted to us.

In an effort to provide a consistent, ongoing set of performance measurements for the maintenance condition of Kentucky’s state-maintained highway system, the KYTC has developed a Maintenance Rating Program (MRP). The purpose of the MRP is to assess maintenance activities as they relate to customer expectations, provide data to support needed performance improvements, ensure that the KYTC system preservation strategies are working, and to meet federal asset management requirements. Through the MRP, the KYTC has proposed some budgetary adjustments for the FY 2007-2010 STIP to increase funding for the maintenance and resurfacing programs in an effort to improve conditions on Kentucky’s roadways. There has also been a concerted effort to include essential, major pavement reconstruction projects in the FY 2007-2010 STIP. Again, the KYTC’s desire is to improve overall pavement conditions and meet the public expectation that Kentucky’s roads will be kept in the best possible shape.

According to the KYTC inventory data, approximately 71% of Kentucky’s bridges are performing the function that they were designed to fulfill without presenting any particular problems. Of the remainder, 6% are classified as “structurally deficient” and 23% are classified as “functionally obsolete.” The phrase “structurally deficient” implies that there is a structural problem that will eventually require attention. Many times, these structural problems are handled by posting the bridge at a specific maximum loading to prolong the life of the structure. The phrase “functionally obsolete” implies that a bridge is too narrow to accommodate the traffic it carries. While the KYTC is concerned that Kentucky’s bridges are functionally wide enough, our major emphasis is on those bridges that present structural condition issues. As the KYTC works to keep Kentucky’s bridges safe, the focus of the federal and state bridge replacement programs is to repair or replace those bridges that carry relatively heavy traffic volumes and present the most severe structural problems.

Economic Development: Kentucky's future economy and congestion concerns: The economic development and highway congestion in Kentucky is very much a "relative" issue. While Kentucky does not have the overly-oppressive highway congestion found in many of the nation's very large cities, there are times when congestion in our urban centers is just as frustrating to Kentucky drivers. Morning and afternoon "rush hours" create traffic problems on many of our city streets, urban beltlines, and metro area interstate highway arteries. Additionally, "just in time" delivery schedules have created "rolling warehouses" on many of Kentucky's rural interstates, resulting in truck percentages of 50% in some instances. Such heavy truck volumes choke the traffic-carrying capacity of our major roadways, and create safety issues and driver frustrations. As traffic and freight volumes increase in the years ahead, our existing highway network will become more and more constrained and potentially impact Kentucky's competitiveness in the global marketplace. Thus, each of the FY 2007-2010 STIP projects, whether identified with a purpose of safety, reliability, or economic development, truly has an effect on Kentucky's future economy and congestion concerns.

2. Highway Safety Improvement Program (HSIP)

As outlined within SAFETEA-LU Sections 1401 through 1412, the term "Highway Safety Improvement Project" means a project described in the state's Strategic Highway Safety Plan that: (1) corrects or improves a hazardous road location or feature; or (2) addresses a highway safety problem. In addition, the term safety project includes a project to promote the awareness of the public and educate the public concerning highway safety matters and a project to enforce highway safety laws.

The purpose of the Highway Safety Improvement Program (HSIP) is to achieve a significant reduction in traffic fatalities and serious injuries on public roads. Each of the following areas within the HSIP will be conducted in accordance with regulations as outlined in the corresponding sections of SAFETEA-LU and Title 23.

Hazard Elimination and Safety Program (HES) – High Cost Improvements

The Hazard Elimination and Safety (HES) Program identifies corrective measures for locations with a significant collision experience, ultimately providing a greater degree of safety for the traveling public. Project improvements are typically higher cost solutions. Common projects include: adding turn lanes at intersections, improving sight distance, changing horizontal/vertical alignment, installing intersection lighting, etc.

The process steps are: (1) identification of high collision locations, (2) analysis of selected high collision locations, and (3) select locations for HES projects. However, projects must meet the following basic requirements for acceptance into the HES program:

- a. A minimum number of collisions over a three year period, 5 for rural and 14 for urban locations
- b. Have a Critical Rate Factor of 1.0 or greater
- c. A total project cost not to exceed \$1,500,000 for all phases of work
- d. Have a Benefit Cost Ratio greater than 1.0
- e. Proposed project addresses the pattern of collisions

Projects meeting the HES program's minimum requirements are submitted to the FHWA for review and approval into the HES program. Upon approval of the identified projects into the HES program, funding for the projects are initiated based upon statewide priorities and upon available funding.

Safety – Low Cost Improvements

Low Cost Improvements is a new program that will identify low-cost corrective measures for locations with a significant collision experience. Typically, these improvements will not involve right-of-way or utility phasing, and construction typically may be accomplished with state forces. Using before/after collision data, reduction factors will be monitored and modified to provide more accurate reduction factors and to determine which improvements provide the greatest benefits to costs.

Lane Departure Resurfacing

Lane Departure Resurfacing is a new program that will primarily address lane departure collisions on high risk rural roads. Roadway sections with a high frequency of collisions will be identified from the list of roadways scheduled to be resurfaced by the Division of Maintenance. A road safety audit is performed on selected highways prior to the resurfacing project. The review team recommends improvements or modification measures to be provided during the resurfacing contract to improve safety. The focus of these efforts will be on "lane departure" collisions. Using before/after collision data, reduction factors will be monitored and modified to provide more accurate reduction factors and to determine which improvements provide the greatest benefits to costs.

Roadway Section Improvements

Roadway Section Improvements is a new program that will identify corrective measures for locations with a significant collision experience. The program will focus on locations with a significant pattern of "lane departure" collisions. Both proven measures (strategies that have been implemented with a defined crash reduction factor) and pilot measures (strategies with no proven history but a good probability of being effective) will be utilized. Pilot measures will be implemented on a limited basis. Those measures proving to be effective in reducing collisions will advance to the proven category and may be used on statewide projects. Those not proving to be effective would be phased out accordingly. Using before/after collision data, reduction factors will be monitored and modified to provide more accurate reduction factors and to determine which improvements provide the greatest benefits to costs.

Safety Corridors

This program involves the selection of safety corridors for each district following criteria developed by the Kentucky Transportation Center. Improvement areas and potential corrective measures are identified along the corridor. In general, low cost improvements will be recommended. Consideration will be given to all types of collisions in this emphasis area with an emphasis on fatal and injury collisions. Using before/after collision data, reduction factors will be monitored and modified to provide more accurate reduction factors and to determine which improvements provide the greatest benefits to costs.

Driver Education/Drive Smart/Area Development Districts Program

This program involves the Cabinet's efforts in the behavioral component of highway safety through educational and outreach programs.

Safe Routes to School Program

This program is a set-aside provision of SAFETEA-LU Section 1404, to improve the safety of students in grades K-8 who walk or bicycle to school and to encourage more children to walk and bicycle to school. This program is intended to make walking and bicycling to school safe and more appealing, will facilitate the planning, development and implementation of projects that will improve safety, and will reduce traffic, fuel consumption, and air pollution in the vicinity of schools. Common infrastructure projects will include: sidewalk improvements, traffic calming and speed reduction improvements, pedestrian and bicycle crossing improvements, on-street bicycle facilities, off-street bicycle and pedestrian facilities, secure bike parking, and traffic diversion improvements in the vicinity of schools. Funds will also be allocated for non-infrastructure related activities to encourage walking and bicycling to school. Common activities include: public awareness campaigns, outreach to press and community leaders, traffic education and enforcement in the vicinity of schools, student sessions on bicycle and pedestrian safety, training, etc.

Applications for consideration of funds from the Safe Routes to School Program are accepted February 1 through March 31 and project announcements are made by the end of June. The 2006 Safe Routes to School Projects are listed in Appendix A, Exhibit A-6.

Older Driver

This program is a set-aside of SAFETEA-LU Section 1405, to provide low-cost transportation enhancements to improve the safety for older drivers on our highways. The most common enhancements will be traffic signs (including improved font and letter size, diagrammatic signs, etc.) and pavement markings to improve recognition of roadway geometry.

High Risk Rural Roads

This program is a set-aside provision of SAFETEA-LU Section 1401, which addresses the need to reduce fatalities on our rural roads. No specific guidance has been established for this program as high risk rural roads will likely be addressed through other safety programs (such as Lane Departure and Roadway Section Improvements) that primarily focus on the safety of motorists on our most dangerous rural roads.

Circuit Rider

The safety circuit rider program is an effort to focus on technical support, training, and other activities that will reduce fatalities and injuries on locally managed roadways and state highways classified as minor collectors. Using crash, injury, and seat belt usage data, various counties are selected for concentrated assistance. The four focus areas of this program include: roadway departure, pedestrian crashes, intersection crashes, and improving accuracy of local road crash reports.

Work Zone Safety

This program is a set-aside provision of SAFETEA-LU Section 1409, which will provide improved safety training for temporary traffic control in work zones.

Median Guardrail/Cable

This program will involve the installation of pilot projects of cable median barrier to address locations with a pattern of severe crashes involving crossover collisions on unprotected, traversable, depressed medians.

3. Intelligent Transportation System (ITS)

The KYTC has a variety of Intelligent Transportation System (ITS) programs underway throughout Kentucky. The freeway traffic management systems in Northern Kentucky (ARTIMIS) and Metro Louisville (TRIMARC) are in operational mode. Both programs have been expanded to provide additional coverage of the freeway system and/or additional staff so that the system can operate longer hours. Advantage CVO, now NorPass, has been expanded to cover all fifteen weigh stations in Kentucky. Systems have been expanded to include the Road Weather Information Stations (RWIS), Dynamic Message Signs (DMS), cameras, and roadway sensors. The KYTC has also begun fielding interactive kiosks in our welcome centers, rest areas, and some buildings to provide users with current traffic, travel, weather, tourism, and local information.

On a statewide level, the KYTC has implemented the Condition Acquisition and Reporting System (CARS) as a member of the CARS multi-state consortium. This system provides the ability to gather and share with the traveling public the road and weather conditions along National Highway System routes. The partnership with the Cabinet's District Offices, the Transportation Operations Center in Frankfort, Division of Traffic Operations, Kentucky Vehicle Enforcement, and the Kentucky State Police ensures the highest level of information provided to the traveling public through the use of the common software. The KYTC also has implemented CARS-511 which allows data entered into the CARS database to be translated into a text-to-voice system with Interactive Voice Recognition to provide automated, up-to-date traffic and road information by dialing a three digit telephone number, 511. The KYTC also provides a 511 transfer for live 511 Tourism Information in Southern and Eastern Kentucky.

4. Transportation Enhancement Projects

TEA-21 continued the ISTEA set aside of 10% of a state's annual Surface Transportation Program (STP) funding for "Transportation Enhancement" (TE) projects. The use of TE monies is strictly limited to projects that qualify under at least one of twelve eligible activities and have a surface transportation relationship. Eligible activities may include bikeways or pedestrian facilities, preservation of historic transportation facilities, beautification of the roadway environment, or other such specified improvements. Applications are accepted December 1 through January 31 and project announcements are made by the end of June. As new TE project selections are made, the new projects will be incorporated into the STIP via the revision process.

Transportation Enhancement Projects are listed in Appendix A, Exhibit A-7.

5. Transportation, Community, and System Preservation Program

SAFETEA-LU, Section 1117; Transportation, Community, and System Preservation Program (TCSP) provides funding for a comprehensive initiative including planning grants, implementation grants, and research to investigate and address the relationships between transportation, community, and system preservation, and to identify private sector-based initiatives.

Section 1117 of SAFETEA-LU defines the TCSP program, and outlines projects eligible for TCSP funding include any project eligible for funding under Title 23 or Chapter 53 of Title 49 U.S.C., or any other activity relating to the purposes of this section determined appropriate by the Secretary, including corridor preservation activities necessary to implement transit-oriented development plans, traffic-calming measures, or other coordinated preservation practices. Projects receiving TCSP federal discretionary funding are generally earmarked by Congress through yearly allocations, and the projects will be added to the FY 2007-2010 STIP through the STIP amendment process.

6. Planned Public Transportation (Transit) Projects

The Federal Transit Law (49 U.S.C. Chapter 53), is the basis for the federally-assisted public transportation programs. Program funds for the rural and small urban portion of the state (Section 5311), for the urbanized portion of the state (Section 5307), for the elderly and disabled persons in the state (Section 5310), for technical assistance and transit planning (Section 5303), training for transit operators (RTAP), and discretionary capital (Section 5309) are allocated on a formula basis. New program funds include the transit New Freedom Initiative and the formula grant for Job Access and Reverse Commute. Local plans are required.

Section 5311 program funds are used for planning, capital, and operating assistance by local public bodies, nonprofit organizations, and operators of public transportation services. These funds are used to give people access to health care, shopping, employment, education opportunities, public services, recreation, etc. Public transportation systems in rural areas assume the responsibility of meeting these needs. Kentucky utilizes 15% of these funds for provision of intercity bus services.

Section 5307 program funds are used by transit operators in urbanized areas. The KYTC has approval authority for operating and capital funding for operators in areas of 50,000 to 200,000 populations. These funds do not flow through the Cabinet, but the allocation is done by the Governor. Areas larger than 200,000 are allocated a specific grant amount by the FTA.

Section 5303 program funds are used for planning purposes by the MPOs and the KYTC. MPO funds are formula allocated by the KYTC and are identified for use in urbanized area unified planning work programs. Statewide transit planning for the rural areas is also funded with Section 5303 funds.

Section 5309 is a discretionary capital program that provides capital for three primary activities, new and replacement bus and facilities; modernization of existing rail systems and

new fixed guide way systems. Funds are allocated on a discretionary basis. Current projects are identified with the Federal Register 2/3/2006. Any future Section 5309 funding must be amended into the STIP.

Section 5310 program funds are used for capital purposes only. Vans and other equipment critical to providing transportation services for elderly and persons with disabilities are purchased through this program. The Rural Transit Assistance Program (RTAP) is designed to provide training, technical assistance, research, and other related support services for rural transit operators. Section 5309 funds are for capital purposes and may be utilized for both rural and urban areas. Program funds are used extensively throughout the state. The Section 5310 will be required to have a local plan before funds can be programmed.

In general, the KYTC receives applications from areas and agencies for the FTA program funds. These applications describe the needs for public transit funds (type of service needed, etc.), the funding required, and local matching sources. The KYTC allocates the money based on several factors including potential ridership, area to be served, availability of services, etc. Each agency is accountable to the Cabinet for the allocated funds. Monthly reports, site visits and compliance reviews, vehicle inspections, drug and alcohol testing, timely invoicing, and audits are among the monitoring activities the Cabinet performs.

With regard to transit project identification, the KYTC advertises annually for competitive proposals for Sections 5310 and 5311 in newspapers of statewide circulation, as well as relying heavily upon past experience to develop the transit element of the FY 2007-2010 STIP. Since the passage of TEA-21, the KYTC has been cognizant of the many opportunities for combining highway and transit funding for individual projects and programs, and fully expects to take advantage of these opportunities in the future. Kentucky's MPOs are seriously studying transit options for addressing metropolitan traffic issues, and are engaged in the project prioritization efforts which truly represent a multimodal approach to overcoming the problems of urban congestion.

Planned transit improvements are listed in Appendix A, Exhibit A-8.

7. Human Service Transportation Delivery Process

Welfare reform legislation has greatly influenced changes in the Human Service Transportation Delivery (HSTD) Process. This process/program utilized combined transportation resources of the Health and Family Services Cabinet and Workforce Development Cabinet to provide a coordinated network of transportation providers to provide safe, efficient, and accessible transportation for Kentucky's health, human service, and workforce program clients.

Medicaid, Vocational Rehabilitation, and Department for the Blind funds will flow from the two human service cabinets to the KYTC for operating funds for providers and administrative funds for the KYTC to manage the program.

The Commonwealth is divided into ten Human Service Transportation Delivery Regions. This division was based upon items such as operating authority, fleet sizes and capacities of existing providers, and historical transportation utilization.

Through the use of a financial consultant, the Cabinets developed a “capitated rate” payment system, essentially a flat rate (a fee paid per member, per month). This will reward providers for operating efficiency, discourages over utilization, and significantly reduces fraud and abuse. Some parts of the program will be paid on a fee-for-service basis.

There will be one broker/provider per region who must provide needed transportation or will be responsible for securing transportation from other providers. The KYTC will contract with the transportation brokers on behalf of all the programs. A Coordinated Transportation Advisory Committee (CTAC) includes representatives of each of the different programs and will monitor the programs’ interests in the network. The KYTC staff will monitor the brokers to make sure they operate as CTAC agrees. Details of each trip will be recorded by the broker/provider and will be used to report program results to state and federal agencies.

In order to fully implement this program, two accomplishments were needed. One was getting legislation passed (HB468 and HB488) which requires brokers/providers to meet safety standards, and the other was getting emergency regulations signed so this initiative can actually begin operation. This legislation has been passed and the emergency regulations are signed.

HUMAN SERVICE TRANSPORTATION DELIVERY PROCESS

The Kentucky Transportation Cabinet/Office of Transportation Delivery receives \$51,200,000 from the Department of Medicaid to finance the transportation brokerage for Human Service Transportation Delivery non-emergency medical transportation. The Department of the Blind and Vocational Rehab reimburses the transportation broker at the local level and does not flow through the Transportation Cabinet. Each funding stream meets the respective Program requirements. Public Transit, Vocational Rehab, Department of the Blind, and non-emergency medical trips are coordinated at the transportation broker level.

FINANCIAL INFORMATION

| | |
|-----------------------------------|--------------|
| Fiscal Year 2005 | \$51,200,000 |
| Fiscal Year 2006 | \$51,200,000 |
| Ridership over 2,600,000 annually | |

8. Planned Aviation Improvements

The Airport Improvement Program (AIP) was established by the Airport and Airway Improvement Act of 1982 (Title V of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law 97-248), and amended by the Airport and Airway Safety and Capacity Expansion Act of 1987, (Public Law 100-223), and the Wendell H. Ford Aviation Investment and

Reform Act for the 21st Century of 2000 (AIR-21). Current legislation supports and provides funding for the following: (1) airport planning, (2) noise compatibility planning, and (3) noise compatibility programs as set forth in the Aviation Safety and Noise Abatement Act of 1979, (Public Law 96-193).

The funds for the AIP are distributed in accordance with provisions contained in the 2000 Act, as amended. In grant parlance, funds distributed by formula for use at a specific airport or in a specific state or insular area are referred to as apportionment funds. The remaining funds are for use at the discretion of the Secretary of the U.S. Department of Transportation, and are known as discretionary funds.

The estimated federal apportionment levels for Kentucky for FY 2006 through 2010 are \$3.9 million annually. At present, there is no way to estimate the level of federal discretionary funding that may be made available during the upcoming biennium.

FY 2006 actual projects and FY 2007 through FY 2010 potential projects are identified in Appendix A, Exhibit A-9.

9. Maintenance and Traffic Operations

The KYTC is responsible for ensuring that the State Primary Road System is maintained and operated in such a manner as to ensure the safest and most reliable roadways possible. The Cabinet's goal is to provide the highway user maximum safety and comfort with minimum travel interruptions. Table 1 contains a line-item outlining the FY 2007-2010 scheduled state funding for the KYTC's operations and maintenance program, and Appendix B contains the Metropolitan Planning Organization (MPO) Financial Plans, which includes a line-item outlining the operations and maintenance program within each MPO area.

The annual state-funded Maintenance and Traffic Operations Programs are comprised of four major sub-programs: Roadway Maintenance, Bridge Maintenance, Rest Area Maintenance, and Traffic Operations. The Roadway Maintenance unit is responsible for maintenance of the highways in the State Primary Road System. This unit handles routine upkeep such as surface repairs, ditch cleaning, mowing, litter pickup, snow and ice removal, and maintenance relating to drainage, shoulders, signs, markings, delineation, and guardrails on the approximately 27,400 miles of highways in Kentucky.

The Bridge Maintenance Program performs activities on bridges such as painting, deck repair, and structural work on the Commonwealth's 8,925 total state maintained bridges. The Rest Area Maintenance Program provides upkeep and janitorial services at 31 rest area facilities across the state. Twenty-five of these sites are maintained by contract. Six sites are maintained with state forces.

The Traffic Operations Program is responsible for the installation and maintenance of traffic signals, beacons, and roadway lighting on approximately 27,400 miles of highways. It also coordinates the KYTC's highway safety efforts including the development of a Strategic Highway Safety Plan. It is also responsible for the efficient movement of traffic through the development and coordination of traffic signal systems and traffic management strategies utilizing intelligent transportation systems.

In addition to the ongoing highway maintenance and traffic operations programs, the state legislature budgets an annual funding level to resurface roads on the state road system. These funds are in addition to the monies funneled through the Cabinet's Rural and Municipal-aid programs for improvements to county roads, city streets, and the state rural-secondary road system. Each of the rural and municipal-aid program components is accomplished through an ongoing dialogue with Kentucky's city and county governmental entities.

10. Recreational Trails Program

The Recreational Trails Program provides funds to develop and maintain recreational trails for motorized and non-motorized recreational trail users. Funds are apportioned under Section 1103(f) (2) of TEA-21 (23 U.S.C. 206). Funds may be used to provide and maintain trails, trailside, and trailhead facilities, including provisions to facilitate access for people with disabilities. Funds may also be used to acquire easements or land for trails.

The Governor of a state designates an agency to administer the program, which may be an agency other than the State Department of Transportation. The Kentucky Recreational Trails Program is administered by the Governor's Office for Local Development.

Planned Recreational Trails Projects are included in Appendix A, Exhibit A-10.

11. Kentucky's Mega-Projects

As the 2006 edition of the Recommended FY 2007-2012 Six-Year Highway Plan was developed; strong consideration was given to the funding needs associated with four "Mega-Projects" located in Kentucky. The term "Mega-Project," as defined in SAFETEA-LU, Title 23 is a project having a total estimated cost of greater than \$500 million. In addition, as per Title 23 "Mega-Projects" require the preparation of financial plans on projects funded with federal funding. The four Mega-Projects in Kentucky are (1) the Louisville Bridges project, (2) the Interstate 71/75 Brent Spence Bridge congestion relief project in northern Kentucky, (3) the proposed Interstate 66 in southeastern Kentucky, and (4) the proposed Interstate 69 in far western Kentucky. Each of these projects would be an expensive, but welcome, addition to Kentucky's highway system.

In addition, SAFETEA-LU, Title 23 requires that projects having a cost between \$100 million to \$500 million, that an annual financial plan be prepared. For all new projects or projects that are currently underway, but the construction phase funding has not been authorized, the annual financial plan will be completed in accordance with Title 23 Guidelines, outlining the project cost estimates, implementation plan, funding resources, cash flow, and environmental and legal status. The financial plan will not be required for a project in this category that is currently under construction.

Each of the four "Mega-Projects" is underway, with varying levels of progress achieved. The following information provides a description, an approximate total cost, and a brief report on the progress to-date for each project.

The Louisville Bridges

The Louisville Bridges project is located in the Louisville metropolitan area and involves a two-part approach to resolving traffic congestion problems in the region. The existing highway network features a myriad of interstate highway facilities (Interstates 64, 65, and 71) that all meet in a tangled maze of ramps known locally as “Spaghetti Junction” in downtown Louisville. Immediately associated with Spaghetti Junction is the Interstate 65 Kennedy Bridge, which links downtown Louisville with Jeffersonville, Indiana. Since there are no true outer beltways linking the Kentucky and Indiana portions of the Greater Louisville Area, virtually all north-south and east-west traffic is forced through Spaghetti Junction. This creates traffic delays of major proportions during peak morning and afternoon rush hours.

While Spaghetti Junction and the Kennedy Bridge certainly need to be modernized, transportation professionals understand that a major culprit in downtown Louisville’s traffic congestion is the absence of a “relief valve.” To truly accommodate future traffic in the Louisville area, it is essential to connect together the dangling ends of Interstate 265 east of Louisville. This can be accomplished by building a new bridge over the Ohio River in the vicinity of Prospect, Kentucky, and Utica, Indiana. This new “East End Bridge” would provide an alternative route to Spaghetti Junction and would work in concert with the “Downtown Bridge” to move traffic efficiently through the region.

Much work has been done over the past few years to complete an Environmental Impact Statement for the Louisville Bridges project, and design work is now fully underway. The costs for this project over the multi-year project life are expected to approach \$2.5 billion. Recognizing the dependence of each bridge on the other, a careful balance has been crafted to pursue both new bridges in a harmonious manner. Within the next 16 months, Kentucky and Indiana will jointly develop a financial plan for this project under the scrutiny of the FHWA. Of principal concern to the FHWA is the manner in which each state will deliver funds to the continuing project development effort. Indiana has accommodated their share of the Louisville Bridges in their ten-Year Highway Plan. This edition of Kentucky’s Six-Year Highway Plan contains \$1.0 billion of funding commitments through the Year 2012. This represents Kentucky’s strong commitment of traditional federal-aid highway funds to the current project schedule.

The Interstate 71/75 Brent Spence Bridge

The Interstate 71/75 Brent Spence Bridge is the focal point for some of the heaviest traffic volumes in Kentucky as these two major north-south interstates cross the Ohio River between Covington, Kentucky, and Cincinnati, Ohio. This bridge not only serves traffic between two major urban centers, but it also connects the downtown areas with one of the world’s busiest airports, the Greater Cincinnati/Northern Kentucky Airport, located in Boone County, Kentucky. In recent years, the existing double-deck bridge has been “restriped” to carry additional lanes of traffic and, although the bridge is still structurally strong as indicated by its sufficiency rating of 64.0 out of a possible 100 points, it is functionally outdated.

Recognizing the old bridge’s inability to meet today’s traffic demands, and knowing that the situation will only worsen in the years ahead; metropolitan transportation planners

are working with the KYTC and the Ohio Department of Transportation (ODOT) to craft a reasonable solution. Design studies are currently underway to narrow the options for a new Ohio River bridge, from which further project development work can determine the most desirable means of solving the traffic problems at this location. There are environmental issues, downtown redevelopment concerns, and physical alignment constraints that work together to make this a very challenging project. Accordingly, one of the most challenging considerations will be the project cost, which is estimated at \$750 million, but could grow significantly, depending upon the ultimate improvement option recommended. Kentucky's share of the project cost is estimated to be \$500 million, with Design, Right-of-Way, and Utility funding provided already by a federal Congressional earmark. The \$440 million construction phase remains to be funded after the Year 2012.

Proposed Interstate 66

The proposed Interstate 66 (TransAmerica) Corridor in southeastern Kentucky extends from Interstate 65 near Bowling Green along the Cumberland Parkway to west of Somerset, from which it departs and extends north and east around Somerset, then along KY 80 and south to Interstate 75 south of London. From Interstate 75, the corridor extends eastward along the Hal Rogers Parkway to Hazard before heading east to US 23 south of Pikeville. From US 23 south of Pikeville, Proposed Interstate 66 would extend across the rugged mountainous terrain of Pike County to existing US 52 (Proposed Interstate 74 Corridor) near Matewan, West Virginia. Along this course, Proposed Interstate 66 would pass through some of the most severely economically distressed counties in Appalachia.

At the present time, there are three independent segments of Proposed Interstate 66 that are involved in some degree of highway project development. The first of these segments is the north bypass of Somerset, which will serve to provide a high-speed connection from the Cumberland Parkway to KY 80 east of Somerset. Preliminary engineering and environmental studies have been completed, with design and right-of-way activity scheduled to proceed in the very near future. The Cumberland Parkway to US 27 segment of this project is expected to be completed first to coincide with the construction of the Somerset Southwest Bypass. These two projects together would offer a US 27 west bypass of Somerset. The full north bypass of Somerset is expected to cost approximately \$250 million.

The second active Proposed Interstate 66 project in southeastern Kentucky is the connector between KY 80 east of Somerset and Interstate 75 south of London. Preliminary engineering and environmental work are underway for this section, with an approved corridor location expected by the summer of 2006. There are many environmental issues associated with this project including involvement with the Daniel Boone National Forest, a wild and scenic stretch of the Rockcastle River, and numerous cliff line, cave, and cultural/historic concerns. There has been, and will continue to be, considerable public involvement and coordination with resource agencies to minimize the environmental effects of this project. The total estimated cost of the Somerset to London section of Proposed Interstate 66 is \$1.5 billion.

The third section of Proposed Interstate 66 that is being developed is the portion of the route between US 23 south of Pikeville and US 52 (Proposed Interstate 74) in

West Virginia. An Environmental Impact Statement for this segment of Interstate 66 was completed in October 2003. While environmental issues have proven to be minimal in the Pike County area, the rugged terrain makes this one of the most expensive sections of Proposed Interstate 66 to build. It is expected that it will cost more than \$2 billion to complete this connection between US 23 and US 52.

Proposed Interstate 69

Proposed Interstate 69 is being pursued in some manner by every state it traverses, from south Texas to the Michigan border with Canada. The impetus for Interstate 69 is Latin American trade, and the overland transportation need to link Latin America with Canada and the northeastern United States. The states involved in this project are Texas, Louisiana, Arkansas, Mississippi, Tennessee, Kentucky, Indiana, and Michigan. An Environmental Impact Statement has been prepared for the entire route, with the “purpose and need” of the project focused squarely on freight movement.

In Kentucky, Interstate 69 will follow the existing Purchase Parkway from the Tennessee state line to Interstate 24, then Interstate 24 to the Western Kentucky Parkway, then the Western Kentucky Parkway to the Pennyryle Parkway, then the Pennyryle Parkway north to Henderson. At Henderson, a new route (including a new Ohio River bridge) will be required to connect to Interstate 64 in southern Indiana. Both Tennessee and Indiana are actively engaged in pursuing their own segments of Interstate 69, and each state has cooperated in studies to assess connections at the state lines.

For Interstate 69 to become fully functional in Kentucky, it is expected that the existing parkway system will have to be upgraded. The Purchase, Western Kentucky, and Pennyryle Parkways are all limited access, four-lane divided highways, but there are spot locations where access control would have to be tightened and shoulder widths, clear zones, and bridge dimensions addressed before interstate highway design standards are achieved in full. It is expected that such upgrades will cost \$700 million or more to accomplish. At Henderson, the new route and its new Ohio River Bridge will likely cost an additional \$800 million to complete. The KYTC has recently completed a study of the parkway upgrade needs from Interstate 24 to Henderson, and has worked with Indiana to develop a Draft Environmental Impact Statement for the new Ohio River crossing at Henderson. Continuing work on Interstate 69 in Kentucky will depend upon the financial support that can be garnered for the project through federal reauthorization and appropriations processes.